

speculative sale. These calculations of a rise or fall in value may be founded upon well-trained judgment, and a comparison of the present condition of affairs with past conditions of an analogous character, with the reasonable inference that—excluding the unexpected and unprovided—the results which followed the former conditions will equally succeed the similar condition now existent. But "there's the rub " — the unexpected ! and thus the speculation in future chances may range in graduation, as I have stated, from a skilful estimate to brainless guessing.

My personal experience of able men, in all departments of activity, who have disastrously failed, has shown that, far beyond the range of ordinary men, they possessed the faculty of perceiving most of the elements of a subject with marvellous vividness and lucidity of perception, but gained the habit (through happy hits) of mistaking this piercing vision of the parts, however numerous, for a rounded apprehension-of the whole. And perhaps my use here of the word " disastrous " rather embodies the poignant contrast between surpassing capacity and its unanticipated fall.

Like the bull, the ordinary investor is in a degree a speculator in future chances; he would never purchase unless he hoped, and possessed some ground for hope (for no one should invest without the guide of knowledge and the exercise of judgment), that his securities would on the whole increase in value, or at all events exhibit no retrogression: but the essential distinction between the two resides in the fact that the speculative purchaser buys simply" and deliberately in order to sell, while the investor purchases for the purpose of retention and the possession of a stable source of revenue. The speculative purchaser, in short, buys in order to make as much profit and as speedily as possible out of an increased *capital-value*, without thinking of the income: the genuine investor purchases in order to gain the permanent and remunerative *income* which the capital yields.

It seems an error, therefore, to suppose

that prices advance under the
compulsion of bulls, and recede under
the compelling power of bears ; rather is
it that a survey of the state and
prospects of a particular market,
gathered from a multitude